

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1868
ANSWERED ON:29.11.2007
REDUCTION IN ATF PRICES
Thakkar Smt. Jayaben B.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Federation of Indian Airlines (FIA) has sought reduction in custom and excise duties on aviation turbine fuel (ATF) and asked that private firms be allowed to supply fuel;
- (b) if so, the details thereof; and
- (c) the action taken by the Government thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) and (b):- Yes, Sir. The Federation of Indian airlines (FIA) has raised the issue of reduction of basic price and rationalization of taxes on Aircraft Turbine Fuel (ATF) for domestic airlines. The FIA has requested to reduce the customs duty on ATF for domestic operations, Excise Duty on ATF be made 4% and ATF be given `declared goods` status , thereby attracting a uniform 4% sales tax across India.

(c):- The issues of reduction of basic price of ATF and rationalization of taxes on ATF have been taken up with Ministry of Petroleum and Ministry of Finance from time to time. The ATF sold to an aircraft with a maximum take off mass of less than forty thousand kilograms operated by scheduled airlines has been given status as `Decalred Goods`. Earlier this benefit was available to only turbo prop aircraft without any qualification on the type of operator.